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ASSISTANCE TO THE RWANDAN GOVERNMENT
MULTILATERAL AND BILATERAL AID EFFORTS

7/7/9

I. BACKGROUND

RELEASED IN FULL

The Financial resources the USG has available for Rwanda for developmental purposes during the period 1994-1995 consist of:

(1) FY 1995 ESF of \$2.5 million; (2) existing pipeline of bilateral project funding amounting to \$5.2 million; (3) FY 1995 Development Fund for Africa Funding OYB of \$5.0 million; and, (4) possible counterpart funds. This paper sets out proposed uses of the various categories:

ESF: The FY 1995 ESF funding of \$2.5 million will be provided to the World Bank as the USG contribution, together with other donors, to pay off \$9.5 million of Rwanda arrearages through June 1995. In addition to the US contribution of \$2.5 million, Belgium has pledged \$2 million, Canada \$1.5 million, and the Dutch possibly about \$2 million. Switzerland is also contemplating joining the arrears clearing exercise. The World Bank must find the remaining \$1.5 million before they can disburse \$40 million for balance of payments support. They seem to believe they will be able to raise the remaining necessary funds.

Existing Pipeline:

1. Democracy and Governance Project: From the \$4 million of the existing pipeline in the Rwanda Democracy and Governance Project, refurbishing key ministries is a critical ingredient

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of USG current activities. In this context the USG will provide \$100,000 - \$200,000 to refurbish key ministries of the Government of Rwanda in order to permit the GOR to commence providing services to the people of Rwanda. Key ministries are selected in terms of the potential of providing tangible services to the people of Rwanda: Justice, Health, Agriculture, Plan, Finance, Commerce, and Rehabilitation. The remainder of the \$4 million will be used to provide services so that the Ministries can be operational.

2. Assistance for Displaced Persons: \$1.2 million in existing pipeline funds will be given to UNDP to defray costs.

FY 95 DFA - \$5 Million

The \$5.0 million allocated to Rwanda from DFA will be used to amend the existing Democracy and Governance Project and the Assistance for Displaced Persons Project. It is anticipated that approximately \$3 million will be used to amend the Democracy and Governance Project. These funds may be used to: provide additional services to "key" ministries; provide assistance to the human rights "point person" office within the GOR; resolve land tenure disputes; fund dispute resolution mechanisms; fund local NGOs dedicated to establishing a pluralistic, civil society. The remaining \$2 million will amend the Assistance for Displaced Persons Project to provide additional funding for rehabilitation efforts which includes assistance to orphans/unaccompanied children and to provide special studies as deemed necessary.

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II. TALKING POINTS

-- We are at a critical juncture in post-war Rwanda, with the provision of the most basic assistance to the new Government a key element in preventing the return of chaos in Rwanda.

-- To meet the immediate needs of Rwanda's population, we are adjusting our assistance program to target key ministries of the Rwandan government. Our assistance will help kickstart these ministries and assist in the provision of tangible services to the people of Rwanda. (FYI: about \$7 million through FY-95; we also expect to provide \$3.2 million for rehabilitation efforts for displaced persons.)

-- In a broader effort to bring major resources to bear in Rwanda, the United States is also working to help clear Rwanda's arrears to the World Bank (FYI: USG contribution: \$2.5 million). Our assistance is conditioned on the GOR's commitment to unimpeded access for UNAMIR and human rights monitors and naming of a GOR human rights point of contact.

-- The combined impact of "Friends of Rwanda" contributions to Rwandan arrears should make approximately \$40 million in World Bank balance of payments support available to the Government of Rwanda early in 1995 with the promise of up to \$250 million in restructured project funds in the pipeline.

-- We applaud the assistance that many of you have already undertaken in Rwanda and encourage further donor efforts in Rwanda on all fronts, with specific attention to the most basic needs of the government and its people.

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